

## **Focus on Results (FOR) - Long Beach Performance Management Initiative**

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The City's Focus on Results (FOR) Long Beach program is a comprehensive performance management system that will better align City operations with the City Council and community's priorities. This effort will improve the efficiency and effectiveness of City operations and increase accountability at all levels of the organization.

This comprehensive performance management system brings together the City's diverse planning, budgeting, performance and service delivery processes into one integrated management structure to ensure that all stakeholders are working together to focus on providing results to the community. The City has implemented FOR Long Beach to align our operations and to ensure that all employees are working with the same set of objectives and expectations. The five key components of FOR Long Beach, listed below, are described in more detail later in this section.

- *Planning for Results*
- *Budgeting for Results*
- *Measuring for Results*
- *Communicating Results*
- *Evaluating Results*

Integration of the FOR Long Beach structure into our daily operations reflects a fundamental change in the way the City conducts business. It will create a culture that is externally focused on providing results to our customers, and not simply internal rules and regulations. On a daily basis, City personnel provide a wide array of programs and services to our residents, businesses and visitors, often without taking a step back to assess the value that work provides to the community. Once fully developed, FOR Long Beach will provide every department with the tools and data needed for all employees to focus on delivering results for customers and will assist the City in communicating the value it provides to the community.

One of the strengths of the FOR Long Beach program is that it incorporates a number of the City's existing performance management initiatives. Since 1999, with the initiation of the Long Beach Plan, the City has been working on key elements of a comprehensive performance management system. This existing work, such as the Service Optimization Program and participation in the International City/County Management Association annual performance measurement project, will help to build out a comprehensive performance management system and ensure a manageable implementation of the FOR Long Beach program.

The FOR Long Beach program is still under development, and will take several years for the City to realize the fullest benefit of this effort. As a result of current budget constraints, a phased implementation has been employed. Nonetheless, the City will benefit from the initial development of FOR Long Beach as it evolves toward a program structure and initial performance measures.

In the end, the FOR Long Beach program will clearly state department goals and priorities in measurable, outcome or results-oriented terms; linking objectives to citywide goals, and the budget to the accomplishment of these results; track progress; and, report the results in terms relevant to the community.

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## **Planning for Results**

Planning for Results represents the first phase of FOR Long Beach and is designed to provide clear direction for City departments in achieving results for the community. City departments begin this effort through the Strategic Business Planning process. This departmental planning process incorporates Citywide and department-specific strategic and operational elements, and provides the foundation for the City's entire comprehensive performance management structure. The planning process is undertaken with the customer in mind; providing not only the programs and services that they need and want, but the results that they expect.

The department Strategic Business Plans will all utilize the community's Strategic Plan 2010 document as a guide. This document is critical to understanding the community's goals and objectives and helps to focus departments on how to structure operations to meet those desired goals. Other City planning documents, members of the community and staff from all levels of the organization will also serve as critical resources to the Strategic Business Planning process.

Beginning in March 2005 and continuing throughout FY 06, City Manager departments will develop their Strategic Business Plans. The Strategic Business Plan is a means by which a department develops its mission and identifies issues and strategic objectives, and sets direction to address identified issues in relation to the City's overarching goals and objectives. The Strategic Business Plans will assist departments in identifying strategies and activities that will support the achievement of those goals. The Strategic Business Plans will be updated periodically to reflect customer needs and the changing service delivery environment.

City departments will also identify their program structure as part of this planning process. The program structure will help to communicate to the public about services that are being delivered, rather than focusing on who is delivering them. It is via this structure that City Manager-directed departments' financial and performance information is presented in the FY 06 Budget. An important component of this process is the development of a full complement of performance measures for all programs. These performance measures will serve to drive the City's comprehensive performance management structure by providing useful information to assess the City's progress at providing results for our customers. Each department's measures will provide important performance data on the workload (outputs), demand, efficiencies and outcomes (or results) of City programs. While the budget only provides space for a limited number of performance measures, Strategic Business Plans represent a full family of measures by program.

Every program will also be aligned with one of the City's nine Citywide Focus Areas. These nine Citywide Focus Areas build upon the broad categories identified in the Strategic Plan 2010 document and provide a comprehensive but broad framework for all City programs and services. Organizing the City by Focus Areas will provide better information to the City Council as they develop policy guidance by identifying where financial resources are invested and how performance is impacting areas of strategic importance to the community. The focus areas will also assist staff in evaluating performance and planning for areas that cross department lines.

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The Citywide Focus Areas include:

- Community Safety
- Neighborhoods and Housing
- Leisure, Culture and Education
- Health and Human Services
- Business and Economic Services
- Transportation and Infrastructure
- Utilities
- Environment
- Leadership, Management and Support

As noted above, the City is phasing in the implementation of the FOR Long Beach program. The following reflects the phased development of department Strategic Business Plans.

Full Strategic Business Plans: At the time of this printing, the Departments of Parks, Recreation and Marine and Community Development have both completed drafts of Full Strategic Business Plans. The departments have taken input from community and employee stakeholders and utilized the City Council's stated priorities, Strategic Plan 2010, and other City planning documents to help inform the identification of key issues confronting each department over the next 2 to 5 years. Strategic objectives have been developed to guide the department in addressing those issues. The two departments have also developed their listing of programs and services (program structure) and the full family of performance measures (output, efficiency, demand and outcome measures) for all programs.

Initial Strategic Business Plans: The remaining City Manager departments have all developed their program structure, identified associated services and developed basic output, or workload, measures. This program structure and output measures serve as the foundation for the FY 06 Budget. These departments will complete the Full Strategic Business Plan during the remainder of 2005 and 2006, which will be reflected in the Proposed FY 07 Budget.

## **Budgeting for Results**

The Budget is the most important policy document the City produces on an annual basis. The program and financial decisions it embodies must reflect the will of the community through the policy direction of the City Council. By developing an annual Budget that is based on aligned goals, strategies, priorities and performance, as defined in the department Strategic Business Plans, the City will be able to better focus its resources and efforts on those areas of the highest importance to the community.

As requested by the Mayor and City Council, the FY 06 Budget is a Performance-based Program Budget that reflects the work completed during the initial implementation of FOR Long Beach. Instead of presenting the budget in the organizational structure (department and bureau), as has been past practice, the City is for the first time presenting budget and performance information at the program level. This new approach will help the City to better associate the cost and performance of municipal programs to clearly set service expectations, and facilitate more informed and empirical fiscal decision-making.

The FY 06 Budget is not only structurally, but visually, different from previous City budgets. The following graphic represents the new layout of the City's budget: by department Programs and Lines of Business (aggregation of like programs within a department):

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## FISCAL YEAR 2006 PROGRAM BUDGET

Program Budget	Description	Example
Department	Each department budget chapter provides a description of the service delivery environment in which it currently operates, in addition to a listing of significant opportunities and challenges confronting the department. Those departments that completed the Business Planning Process (CD and PRM) also reflect key issues facing the Department in the next two to five years and their key objectives as a Department.	Department of Public Works
Line of Business	<u>Line of Business</u> is a grouping of programs that are organized collectively to realize one high level common purpose with an identifiable end result or outcome for the customer. Lines of Business represent major business functions.  A listing of some significant department accomplishments in meeting the community and City Council's goals and priorities are listed by Line of Business in the FY 06 Budget.	Solid Waste Collection, Disposal, and Recycling
Program	<u>Program</u> is a set of services grouped together around a common purpose or result to be achieved for the customer. City costs, revenues and staffing allocations are identified at the program level in the FY 06 Budget. Performance information will also be provided at the program level. Each Program is uniquely associated with a Citywide Focus Area as well.	Refuse Collection Waste Diversion and Recycling Community Enhancement & Litter Abatement
Service	<u>Service</u> is a deliverable that the customer(s) receives from departmental efforts. A listing of key services is provided for every City Manager-directed program in the FY 06 Budget.	Residential Refuse Collections Residential & Commercial Recycling Collections Community Clean-Ups

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It is important to note that the entire FOR Long Beach performance management effort, including the budget document, is a work in progress. It will take time to develop Strategic Business Plans and the full family of performance measures for all City Manager departments. As a result, the two departments having drafted the Full Strategic Business Plan have more information to report in the FY 06 Budget than the remaining Initial Strategic Business Plan Departments (such as the identification of issues, strategic objectives, program purpose statements and the full family of performance measures). There are also numerous measures published in this budget document without performance data due to the lack of existing information for these new measures. As the remaining departments complete the Full Strategic Business Planning process over the next year, the City will begin tracking performance for stated measures and begin to fully build out the budget document.

### **Measuring for Results**

One of the objectives of FOR Long Beach is to have necessary information readily available to make good business decisions. The Measuring for Results component is designed to provide that information. As noted above, the Strategic Business Planning process includes the development of performance measures for all programs. These performance measures will serve to drive the City's comprehensive performance management structure by providing useful information to inform City staff and the public on the City's progress at providing results to the community. Staff is currently working to document key information about each performance measure to ensure a department's measures are valid, significant and measurable.

The development over the next year of an online performance tracking, monitoring and reporting software system will provide the City Council, City staff and the community with timely, accurate and meaningful performance information that can be used to help improve services or identify funding issues. Collection of performance data in a central, web-based system will allow employees to track estimated and actual performance, and to monitor their progress in meeting the defined goals from the Strategic Business Plans.

Through the use of benchmarking, the City will also be able to compare our performance with that of other communities, resulting in an enhanced ability to identify service delivery alternatives that can enhance performance. As the measures are developed and performance information is collected over time, data will be available for trend analysis and will assist in identifying any issues in performance or needed resources to improve operations.

### **Communicating Results**

Communicating Results is a critical component of the FOR Long Beach performance management effort as it enhances accountability by keeping all stakeholders informed about the results that the City is providing. The City is working to develop a Communications Plan to disseminate important performance information to all stakeholders. Regular reporting of financial and performance information will be provided to the City Council, community and City staff. While the system will be able to produce performance updates as often as data is entered into the system, it is anticipated that weekly and monthly reports will be made available for internal staff purposes, and quarterly reports will be produced for the City Council and the community. The City Manager will use this data to meet regularly with department directors to discuss critical operational and performance issues.

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## **Evaluating Results**

Continuous improvement of our municipal services is a primary goal of the City. By integrating the City's planning, budgeting, performance and service delivery processes into one seamless structure; the City will be in a better position to identify areas for needed improvement. Evaluating Results will help to highlight program areas where there may be performance or resource gaps.

City Staff will utilize performance information on a regular basis to evaluate service delivery strategies and guide decision-making with regard to deployment of resources. Both management and line staff will use performance data to inform service delivery approaches. A new approach to managing the organization was introduced over the past year by a group of employees on the City's "Innovation Team," called "Work Smarter Teams." These teams will become the foundation for evaluating results and improving service delivery strategies. Under this concept (which is still being fully developed) a group of employees from each work unit will be selected to evaluate performance information on a regular (weekly or monthly) basis and make recommendations to supervisors and management on service delivery changes they think should be made throughout the year. These teams will be a core component of the annual performance review process.

At the conclusion of the fiscal year, each department will undergo a thorough review and evaluation of their performance measures to ensure that we are achieving our objectives. Service delivery strategies and financial allocations may be re-evaluated at that time to improve performance, if needed. It is anticipated that an Annual Community Survey will be a critical component of the performance evaluation process, to ensure the community's priorities and satisfaction with City services are a basis for decision-making with regard to City services. This evaluation effort will also aide the City's Service Optimization efforts by highlighting potential program areas that could benefit from a review of the City's service delivery practices. In the end, Evaluating Results is critical to producing the best possible results for our customers.